THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI-PAWAN KUMAR BANSAL): (a) to (b) The Advisory Committee on Flow of Credit to Agriculture and Related Activities from the Banking System set up by the Reserve Bank of India under Chairmanship of Prof. V.S. Vyas had examined various issues relating to agriculture credit and submitted its final report on June 30,2004.

Several recommendations of the Vyas Committee have been accepted and communicated to the Banks for implementation. These, *inter-alia,* include: (i) waiver of margin/security norms for agricultural loans upto Rs. 50,000/-, and in case of loans for agri-clinics and agribusinesses upto Rs. 5 lakh; (ii) bringing about procedural simplifications; and (iii) financing of oral lessees and landless agricultural labourers throught he Self Help Group and joint Liability Group approach.

Considerable progress has been achieved in some part of the region in devising the land documents with adequate legal backing for collateral to loans such as:-

(i) Mizoram has a system of issuing Land Settlement Certificate (LSC) conferring transferable ownership rights over land holdings.

(ii) This system is followed in two hill districts of Assam and community lands have also been leased on long term basis to private companies.

(iii) The practice of issuing Land Possession Certificate (LPC) is in vogue in Arunachal Pradesh.

(iv) In Nagaland, except in Sema and Konyak areas, land is owned by individuals. With the amendment of Section 162 of the Assam Land and Revenue Regulations, 1886 in 2002, the land can now be mortgaged in favour of any nationalised bank and PSU, provided the transfer of land is made only to indigenous inhabitants of Nagaland.

(v) No land in Tripura is owned by the community, either they are in possession of land owners (patta holders) or in possession of Forest Department (State Government). While the land under patta holders can be transferred to others, for the jhum cultivation in forest, it is possible to issue certificate of land holding by Sub-Divisional Magistrate/Block Development Officer.

(vi) In Meghalaya though legislature had enacted provision for creation of charge on land and mortgage of the same for taking bank loan way back in 1976, its progress remained hindered due to lack of creation of formal land ownership/possession documents.

(vii) In Manipur, only very few pockets of hill areas have been surveyed and pattas have been issued by government on which mortgages can be created. In the rest of the hill areas issue of LPC has not yet taken place.

Gross NPAs of banks

510. **SHRI RAVULA CHANDRA SEKAR REDDY**: Will the Minister of FINANCE be pleased to state:

the gross Non-Performing Assets (NPAs) of the banks in the country;

the specific reasons for NPAs;

(c) why Government is not contemplating action against such defaulters; and

(d) the bank-wise NPAs in the country?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL) (a) and (d) As on 31 st March, 2007, the Gross Non-Performing Assets (NPAs) of Scheduled Commercial Banks (SCBs) stood at Rs. 50,552 crore. A statement indicating bank-wise details of Gross NPAs of SCBs is given in the Statement. *(See* below)

The factors responsible for NPAs, *inter-alia,* include diversion of funds by the borrower and wilful default in repayment, deficiency in credit appraisal and supervision, inefficient management of the unit financed, poor follow up and monitoring, unviability or sickness of the unit due to change in technology demand pattern and other policy etc., non-completion of project due to cost, time, overrurns and other factors, such as non-availability of raw materials etc., labour problems,natural calamities, delay in disposal by courts of suits filed by banks, etc. However, the banks monitor their loan accounts at various levels and take appropriate corrective action, on an ongoing basis, to arrest slippages to NPA category.

Reserve Bank of India (RBI) and the Government of India have taken various steps to improve assets quality of the banks which, *inter-alia,* include prescribing prudential norms for provisioning and classification of non-performing assets, guidelines for prevention of slippages, introduction of Corporate Debt Restructuring mechanism. One Time Settlement schemes, enactment of (i) The Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest (SARFAESI) Act, 2002, (ii) the Credit Information Companies (Regulation) Act, 2005, and (iii) the Recovery of Debts due to Banks and Financial Institutions (DRT) Act, 1993, etc. Due to concerted efforts, the net NPAs of the SCBs have declined from 4.4% of Net Advances as on 31st March, 2003 to 1.0% as on 31 st March, 2007.

Statement

Details of Gross Non-Performing Assets of Scheduled Commercial Banks as on 31st March, 2007

Public Sector Banks

1.	Allahabad Bank	1094
2.	Andhra Bank	397
3.	Bank of Baroda	2092
4.	Bank of India	2100
5.	Bank of Maharashtra	820
6.	Canara Bank	1493
7.	Central Bank of India	2572
8.	Corporation Bank	625
9.	DenaBank	744
10.	IDBILtd.	1232
11.	Indian Bank	546

1	2
12.	Indian Overseas Bank
13.	Oriental Bank of Commerce
14.	Punjab & Sind Bank
15.	Punjab National Bank
16.	Syndicate Bank
17.	UCO Bank
18.	Union Bank of India
19.	United Bank of India
20.	Vijaya Bank
21.	State Bank of Bikaner & Jaipur
22.	State Bank of Hyderabad
23.	State Bank of India
24.	State Bank of Indore
25.	State Bank of Mysore
26.	State Bank of Patiala
27.	State Bank of Saurashtra
28.	State Bank of Travancore
	Private Sector Banks
29.	AXIS Bank Ltd.
30.	Centurion Bank of Punjab Ltd.
31.	Development Credit Bank Ltd.
32.	HDFC Bank Ltd.
33.	ICICI Bank Ltd.
34.	Indusind Bank Ltd.
35.	Kotak Mahindra Bank Ltd.
36.	Yes Bank Ltd.
37.	Bank of Rajasthan Ltd.
38.	Bharat Overseas Bank Ltd.
39.	Catholic Syrian Bank Ltd.
40.	City Union Bank Ltd.
41.	Dhanlakshmi Bank Ltd.
42.	Federal Bank Ltd.
43..	ING Vysya Bank Ltd.
44.	Jammu & Kashmir Bank Ltd.
45.	Karnataka Bank Ltd.
46.	Karur Vysya Bank Ltd.
47.	Lakshmi Vilas Bank Ltd.
48.	Lord Krishna Bank Ltd.

1	2	3
49.	Nainital Bank Ltd.	16
50.	Ratnakar Bank Ltd.	38
51.	SBI Commercial & International Bank Ltd.	11
52.	Sangli Bank Ltd.	77
53.	South Indian Bank Ltd.	321
54.	Tamilnad Mercantile Bank Ltd.	191
55.	United Western Bank Ltd. Foreign Banks	0
56.	ABNAMROBankN.V.	101
57.	Abu Dhabi Commercial Bank Ltd.	40
58.	American Express Bank Ltd.	22
59.	Antwerp Diamond Bank NV	0
60.	Arab Bangladesh Bank	0
61.	BNP Paribas	39
62.	Bank International Indonesia	0
63.	Bank of AmericaN.T. & S.A.	1
64.	Bank of Bahrain & Kuwait BSC	37
65.	Bank of Ceylon	29
66.	Bank of Nova Scotia	18
67.	Barclays Bank Pic	0
68.	Calyon Bank	3
69.	China Trust Commercial Bank	3
70.	Citibank N.A.	694
71.	Deutsche Bank (Asia)	12
72.	Development Bank of Singapore Ltd.	0
73.	Hongkong & Shanghai Banking Corporation Ltd.	395
74.	JP Morgan Chase Bank, National Association	62
75.	Krung Thai Bank pel	0
76.	Mashreq Bank PSC	0
77.	Mizuho Corporate Bank, Ltd.	7
78.	Oman International Bank S.A.O.G	155
79.	Shinhan Bank	0
80.	Societe Generale	3
81.	Sonali Bank	0
82.	Standard Chartered Bank	80
83.	State Bank of Mauritus Ltd.	0
84.	The Bank of Tokyo-Mitsubishi UFJ. Ltd.	0
	TOTAL:	50,552